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Served: September 7, 2001



**UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, D.C.**

**Joint Application of Delta Air Lines, Inc., Société Air France,
Alitalia-Linee Aeree Italiane-S.p.A. and Czech Airlines
for Approval of and Antitrust Immunity for
Alliance Agreements under 49 U.S.C. §§ 41308 and 41309
Docket OST-2001-10429 - /4**

**SCHEDULING NOTICE AND
DIRECTING APPLICANTS TO FILE COPIES OF CONFIDENTIAL EXHIBITS**

On August 15, 2001, Delta Air Lines, Inc. (Delta), Société Air France (Air France), Alitalia-Linee Aeree Italiane-S.p.A. (Alitalia) and Czech Airlines (CSA) and their respective affiliates filed a joint application for approval of and antitrust immunity for three separate and parallel Cooperation Agreements, between Delta, on the one hand, and individually Air France, Alitalia, and CSA, on the other hand, and a Coordination Agreement among the four applicants covering the coordination of the three Cooperation Agreements (hereafter called the "Alliance Agreements"). Each applicant also submitted additional documents and information in connection with the application and each filed a motion under 14 C.F.R. 302.12 (Rule 12) of our regulations requesting confidential treatment for this material. The motions are unopposed.¹

We have completed our initial review of the application and find that it is now substantially complete.

Based on our review of the material filed in the non-public record, we directed the applicants to file a detailed explanation of the redactions made on the alliance agreements.² Based on the applicants' characterizations and descriptions of these materials, we have determined that the following materials identified in the August 31 letter are relevant to this proceeding:

Relevant Material: All material organized within categories 1 and 3. All material described in category 2 as: "percentages (voting percentages or cost allocation

¹ We will rule on the merits of the Rule 12 Motions by subsequent order. By Notice dated August 21, 2001, we granted immediate interim access to all documents covered by the motions to counsel and outside experts for interested parties, consistent with conditions agreed to by the Joint Applicants and imposed by the Department in similar recent cases.

² The applicants responded to our directive by letters dated August 31 and September 5, which have been placed in Docket OST-2001-10429.

percentages); numeric or algebraic provisions of formulas for determining amounts to be paid or to determine voting percentages;”

As to the material deemed not relevant, we found that it generally contained information on certain administrative matters, commissions, fees, or charges, and other miscellaneous matters that we do not now consider to be relevant to the issues in this case. However, if during the course of our review and analysis we subsequently determine that some or all of this information is relevant, we reserve the right to require that the information be filed in this docket.

Although the materials deemed to be relevant might contain certain information considered by the applicants to be commercially sensitive, they nonetheless are relevant to the Department’s statutory responsibilities to evaluate the competitive aspects of the proposed alliance and to implement our public interest assessment of the merits of this application. Our standard for including documents in the record is not whether the documents are sensitive, but whether they are relevant to the issues. Clearly, the relevant material must be included in the record of this case.

As part of their submissions, the foreign carrier applicants submitted data that they describe as “Origin & Destination (O&D) traffic data.”³ So that we may more fully understand how this data was developed, we require the foreign carrier applicants to file an explanation of the methodologies each used in compiling their separate data submissions.⁴

As discussed above, we direct the Joint Applicants to file the described relevant material, and we direct the foreign carrier applicants to file their separate data methodologies, no later than 3 business days from the issue date of this notice.

In order to provide all interested parties sufficient time to analyze adequately and comment fully on all material in the public and non-public record, we will require that answers to the application be filed no later than 21 days from the due date for the submission of the additional requested material, and that replies be filed no later than 7 calendar days after the last day for filing an answer.

By this notice, we also direct the Joint Applicants to file 2 additional sets of their confidential exhibits in the docket by no later than Tuesday, September 11. Moreover, at the Dockets facility, Parties will be permitted to make copies of the exhibits for use by persons who have filed confidentiality affidavits.

³ See Application at 37-38, Information Item 9.

⁴ For example, see Exhibit JA-33 (Air France), Exhibit JA-34 (Alitalia), and Exhibit JA-35 (Czech Airlines).

We shall serve this notice on all persons on the service list for this docket.

By:

SUSAN McDERMOTT
Deputy Assistant Secretary for Aviation
and International Affairs

Date: September 7, 2001

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